Home Prices Edge Higher, But Momentum Continues to Fade

Home price appreciation remained subdued in early 2026, according to the latest data from both FHFA and S&P Cotality Case-Shiller. The two reports show prices still edging higher nationally, but with momentum slowing further as affordability constraints and elevated mortgage rates continue to weigh on the market.

FHFA's seasonally adjusted **House Price Index** was **unchanged in February** from the prior month, following an upwardly revised **0.2% gain in January**. On an annual basis, prices were up **1.7%** versus February 2025, slightly below the pace seen in prior months and consistent with a cooling appreciation trend.

Regional FHFA data showed continued divergence across the country. Monthly price changes ranged from **-1.1%** in the Mountain division to **+0.6%** in the South Atlantic division. Over the past year, appreciation ranged from **-0.7%** in the Mountain region to **+4.2%** in the Middle Atlantic, highlighting a growing split between softer Western markets and firmer Northeastern areas.

The **S&P Cotality Case-Shiller U.S. National Home Price Index** posted a **0.7% year-over-year gain** in February, down from 0.8% previously and marking another step lower in annual appreciation. The 10-City Composite rose **1.5%**, while the 20-City Composite increased **0.9%**, both slowing from January readings.

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EQUAL HOUSING LENDER

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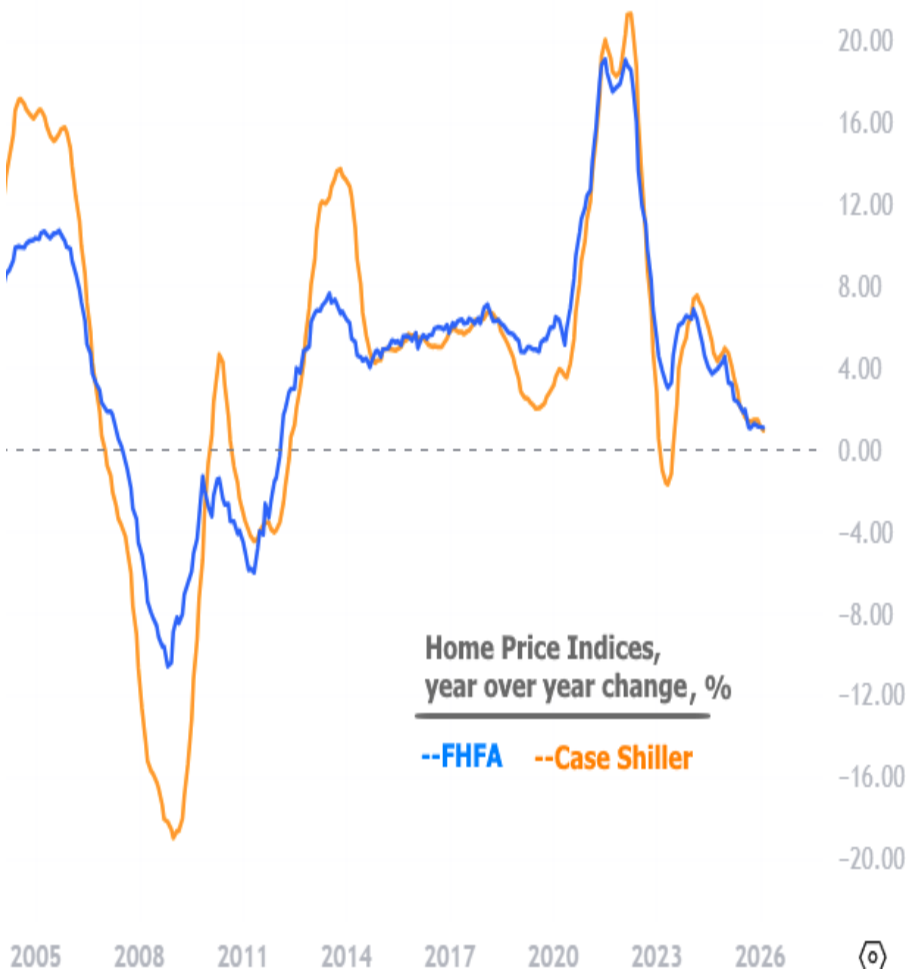

Case-Shiller data also suggest the housing slowdown has broadened geographically. More than half of the 20 tracked metro areas posted annual price declines in February. Denver (-2.2%) recorded the weakest performance, followed by Tampa (-2.1%), Seattle (-2.0%), Phoenix (-1.8%), and Dallas (-1.7%). Los Angeles (-0.8%) and Washington (-0.1%) also moved into negative territory.

Meanwhile, Midwest and Northeast metros continued to lead gains. Chicago posted the strongest annual increase at **5.0%**, followed by New York (**4.7%**) and Cleveland (**4.2%**). The persistent strength in these markets contrasts sharply with weakness across portions of the Sun Belt and West.

Inflation continued to outpace home price growth for the ninth consecutive month, meaning real home values declined again in February. While modest seasonal gains were visible in some monthly data, both reports suggest national home prices are largely flat in real terms as the market adjusts to higher borrowing costs and slower demand.

FHFA House Price Index

- **February MoM (SA):** 0.0%
- **January MoM Revised:** +0.2%
- **YoY:** +1.7%

S&P Cotality Case-Shiller Indices

- **U.S. National YoY:** +0.7%
- **10-City Composite YoY:** +1.5%
- **20-City Composite YoY:** +0.9%
- **National MoM (SA):** +0.1%
- **20-City MoM (SA):** -0.05%

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